



# Australian Bureau of Statistics

## 6220.0 - Persons Not in the Labour Force, Australia, Sep 2007

Previous ISSUE Released at 11:30 AM (CANBERRA TIME) 25/03/2008

## Summary

### Main Features

**21/04/2008 Note:** Additional material data cubes were added. Changes in survey procedures and question wording have affected the comparability over time of some data items in spreadsheets 2, 3 and 4. Users need to exercise caution when comparing estimates from 2007 with previous years data. Details of these changes are available in the explanatory notes within spreadsheets 2, 3 and 4.

### NOTES

Time series data cubes for Persons Not in the Labour Force, September 2007 are expected to be released in April.

### ABOUT THIS PUBLICATION

This publication presents information about people aged 15 years and over who are not in the labour force: that is, neither employed nor unemployed. The data measure the potential supply of labour not reflected in employment and unemployment statistics, and measure the characteristics of that potential supply.

Statistics in this publication were obtained from the Persons Not in the Labour Force Survey, conducted throughout Australia in September 2007 as a supplement to the Australian Bureau of Statistics (ABS) monthly Labour Force Survey (LFS).

Information collected in the survey includes details about whether people not in the labour force wanted to work, reasons why they were not actively looking for work, or were not available for work, and their main activity while not in the labour force.

Many people not in the labour force could be considered to have some attachment to the labour force. For example, they may want a job, but for a variety of reasons are not actively looking for work even though they are available to start a job. There is an expectation that many of these people could move into the labour force in the short term, or could do so if labour market conditions changed.

### CHANGES IN THIS ISSUE

Changes in survey procedures and question wording have affected the comparability over time of some data items. Users need to exercise caution when comparing estimates from 2007 with previous years data.

More details of these changes, including measures of the impact on the estimates, are provided in paragraphs 18 to 22 of the Explanatory Notes.

Table 11, 'Civilian population aged 15 to 69 years, Labour force status and not in the labour force summary-September 2001 to 2007' was positioned as Table 1 in previous issues of this publication.

## **ROUNDING**

As estimates have been rounded, discrepancies may occur between sums of the component items and totals.

## **INQUIRIES**

For further information about these and related statistics, contact the National Information and Referral Service on 1300 135 070 or Labour Market Section on Canberra (02) 6252 7206.

# **Conceptual framework**

## **CONCEPTUAL FRAMEWORK**

### **PERSONS NOT IN THE LABOUR FORCE AGED 15 YEARS AND OVER**

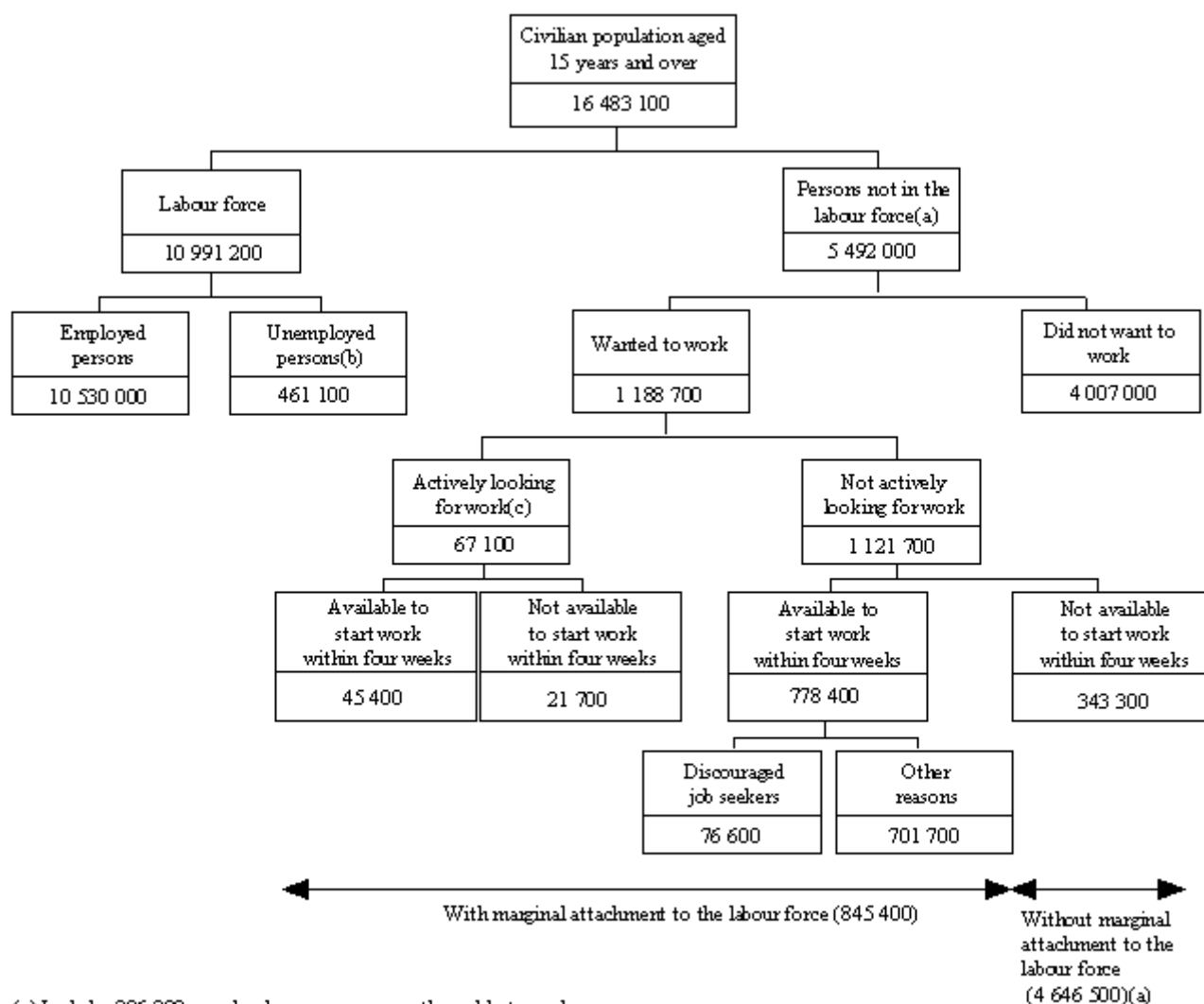
Persons not in the labour force can be divided into those who are marginally attached to the labour force, and those who are not. Persons who are marginally attached to the labour force satisfy some, but not all, of the criteria required to be classified as unemployed.

Persons not in the labour force are considered to be marginally attached to the labour force if they:

- want to work and are actively looking for work but are not available to start work in the reference week, or
- want to work and are not actively looking for work but are available to start work within four weeks.

Persons not in the labour force are not marginally attached to the labour force if they:

- do not want to work, or
- want to work but are not actively looking for work and are not available to start work within four weeks.



(a) Includes 296 200 people who were permanently unable to work.

(b) Includes future starters.

(c) Refers to people who were actively looking for work, but were not available to start work in the reference week.

## Summary of Findings

### SUMMARY OF FINDINGS

#### OVERVIEW

In September 2007, there were just under 5.5 million people aged 15 years and over who were not in the labour force. This represented 33% of the civilian population aged 15 years and over.

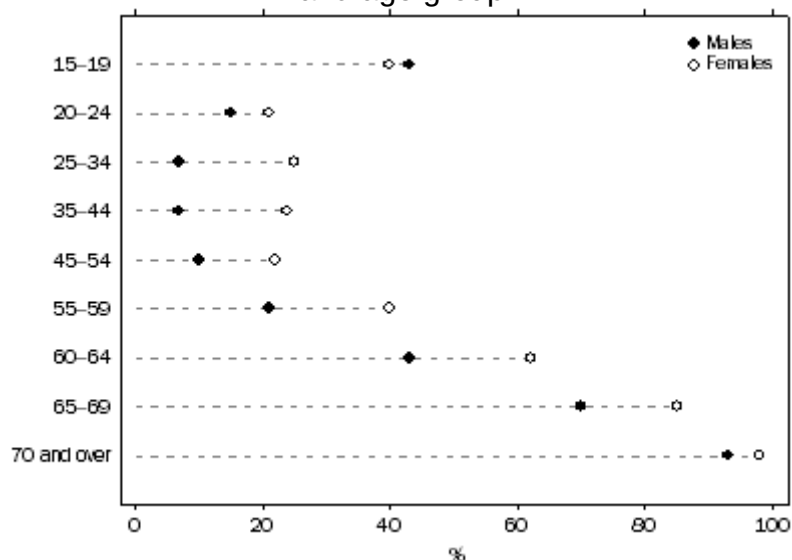
Of people not in the labour force:

- 22% wanted to work (23% of women and 19% of men)
- 61% were women
- 31% were aged 70 years and over.

The proportion of men and women who were not in the labour force varied according to age. In the 15-19 year age group, where there are high levels of participation in education, 43%

of men and 40% of women were not in the labour force. In each of the remaining age groups there was a higher proportion of women than men not in the labour force. The proportion of men not in the labour force was lowest for those aged 25-34 years and 35-44 years (each 7%), and highest for those aged 70 years and over (93%). The proportion of women not in the labour force was lowest for those aged 20-24 years (21%) and 45-54 years (22%) and highest for those aged 70 years and over (98%).

#### **PERSONS NOT IN THE LABOUR FORCE, Proportion of the civilian population - By sex and age group**



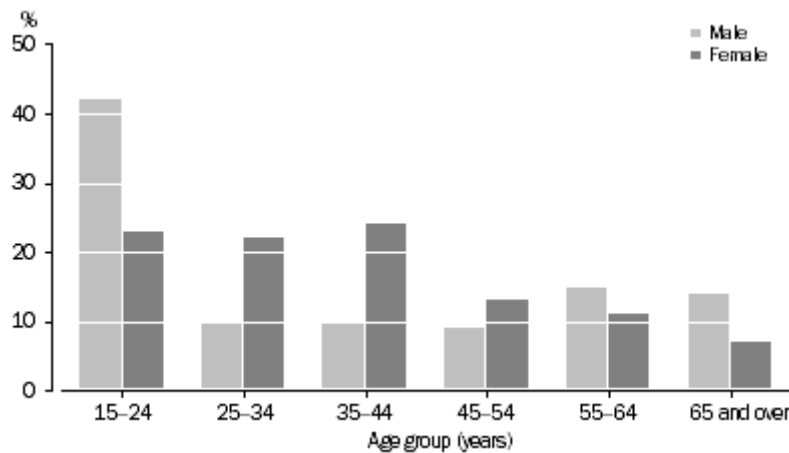
There were 845,400 people with marginal attachment to the labour force in September 2007, representing 15% of people not in the labour force. People without marginal attachment to the labour force numbered 4.6 million in September 2007, representing 85% of people not in the labour force.

#### **WITH MARGINAL ATTACHMENT TO THE LABOUR FORCE**

The age structure of those with marginal attachment was quite different to those without marginal attachment to the labour force. People with marginal attachment to the labour force were younger than those without marginal attachment. More than one-quarter (29%) of those with marginal attachment to the labour force were aged 15-24 years and a further 18% were aged 25-34 years. Three-quarters (75%) of 15-24 year olds reported their main activity when not in the labour force was 'attending an educational institution'.

Men aged 15-24 years represented the largest single group of men with marginal attachment (42% of all marginally attached males). In contrast, the proportion of women with marginal attachment was similar for age groups 15-24 years (23% of all marginally attached females), 25-34 years (22%) and 35-44 years (24%).

#### **PERSONS WITH MARGINAL ATTACHMENT, Age and sex distribution**



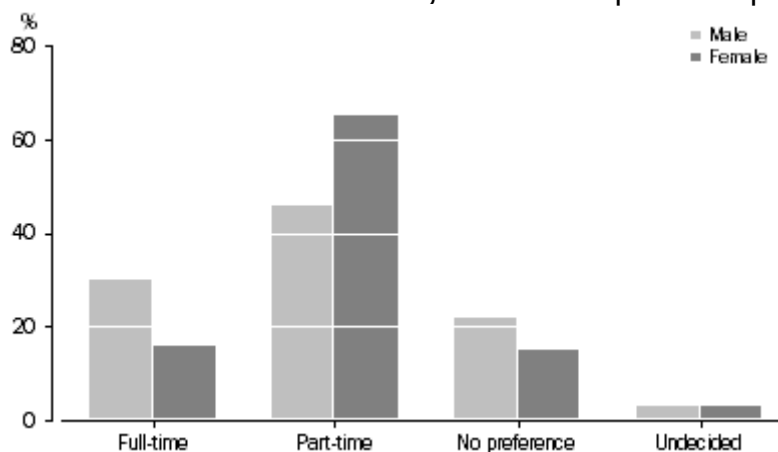
## Characteristics

Of the 845,400 people with marginal attachment to the labour force:

- 554,800 (66%) were women
- 92% (778,400) were not actively looking for work
- 56% 'intended to enter' the labour force within 12 months
- 25% 'did not intend to enter' the labour force within 12 months (27% of these intended to enter at some time in the future)
- 15% 'might enter' the labour force within 12 months.

Of women with marginal attachment to the labour force, 65% preferred part-time work, while 16% preferred full-time work. For men, 46% preferred part-time work and 30% preferred full-time work. The remainder had no preference, or were undecided.

### PERSONS WITH MARGINAL ATTACHMENT, Full-time or part-time preference - By sex

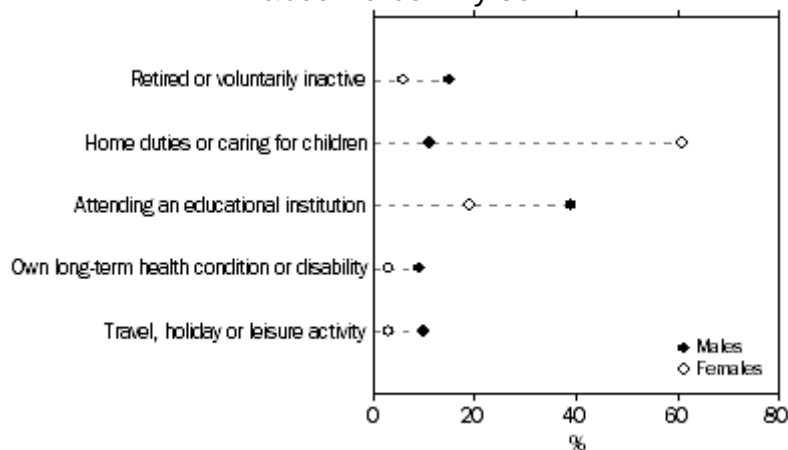


## Main activity when not in the labour force

For people with marginal attachment to the labour force, the most commonly reported main activity when not in the labour force was 'home duties or caring for children' (61% of women and 11% of men), followed by 'attending an educational institution' (39% of men and 19% of

women).

**PERSONS WITH MARGINAL ATTACHMENT, Selected main activities when not in the labour force - By sex**



**Last job**

In September 2007, 679,300 of those with marginal attachment to the labour force had previously had a job. Of these, 33% reported that their last job was less than 12 months ago, and 22% reported their last job was between one and three years ago.

There were 639,000 people (428,600 women and 210,400 men) with marginal attachment to the labour force who had a job less than 20 years ago. The most commonly reported occupation in their last job for these people was Labourers (21%), followed by Clerical and administrative workers (17%) and Sales workers (14%). The most common occupation in last job for those aged:

- 15-24 years was Labourers (30%)
- 45-54 years was Clerical and administrative workers (24%)
- 65 years and over was Clerical and administrative workers (18%).

Of those people with marginal attachment to the labour force who had a job less than 20 years ago, 52% reported that their last job was full-time. Some 84% of the 41,900 who reported their occupation in last job was 'Manager' reported they worked full-time in that job, compared to 32% of the 90,000 people who reported 'Sales workers'.

**PERSONS WITH MARGINAL ATTACHMENT, LAST JOB LESS THAN 20 YEARS AGO, Selected main reasons for ceasing last job - By sex**



Men and women reported different reasons for ceasing their last job. The most commonly reported main reason for men whose last job was less than 20 years ago was 'retrenched, made redundant, employer went out of business, dismissed, no work was available' (22%), followed by 'own long-term health condition or disability' (13%) and 'job was temporary or seasonal' (11%). While for women, the most commonly reported main reason was 'pregnancy or to have children' (31%), followed by 'retrenched, made redundant, employer went out of business, dismissed, no work was available' (11%) and 'to have holidays, moved house or spouse transferred' (9%). Of women reporting 'pregnancy or to have children', 82% were aged 25-44 years.

### Not actively looking for work - Discouraged job seekers

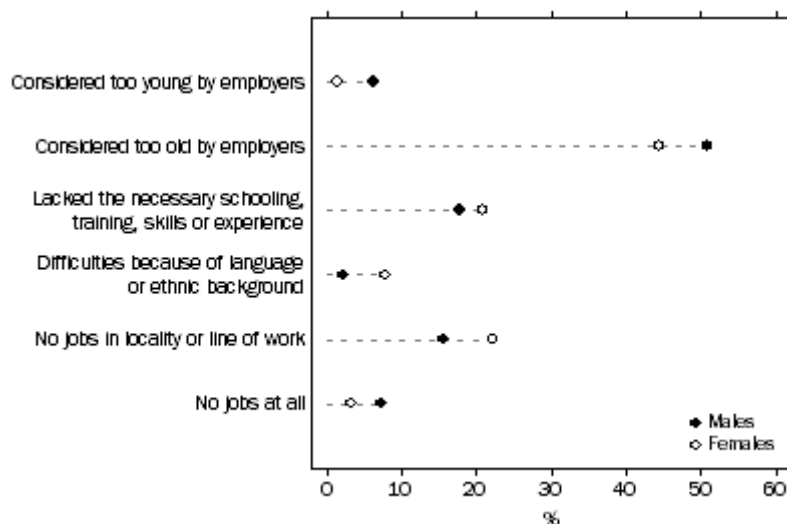
In September 2007 there were 76,600 discouraged job seekers aged 15 years and over.

Characteristics of discouraged job seekers aged 15 years and over in September 2007 include:

- 37% were aged 65 years and over
- 48,600 (63%) were women
- 69,800 (91%) had worked before
- 10,500 had worked in the previous 12 months (15% of men and 13% of women)
- 22,800 had looked for work in the previous 12 months (29% of men and 30% of women)
- 24,500 intended to enter the labour force in the next 12 months (32% of men and 32% of women).

The main reason most commonly reported by discouraged job seekers for not actively looking for work was 'considered too old by employers' (47%). This was followed by 'no jobs in locality or line of work' and 'lacked necessary training, skills or experience' (each 20%). 'Considered too old by employers' was reported as the main reason by 51% of male discouraged job seekers, compared with 44% of female discouraged job seekers.

### PERSONS NOT ACTIVELY LOOKING FOR WORK, DISCOURAGED JOB SEEKERS, Main reason for not actively looking for work - By sex

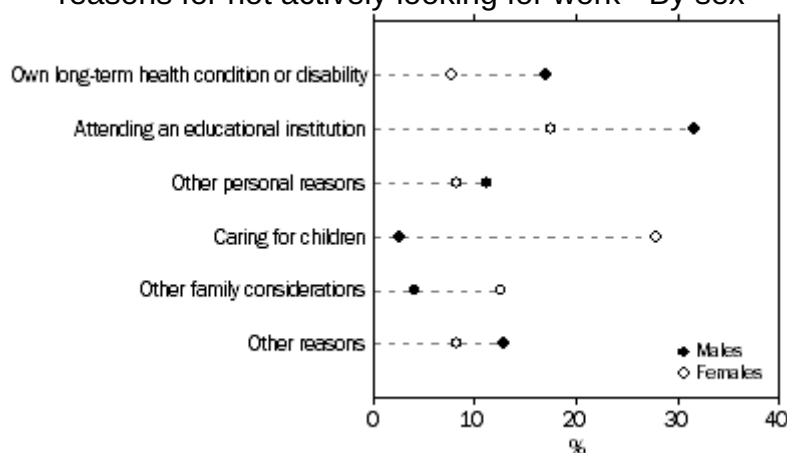


### Not actively looking for work - Other reasons

There were 701,700 people (83% of all people with marginal attachment to the labour force) other than discouraged job seekers, who wanted to work and were available to start work within four weeks but were not actively looking for work. Of these, 66% (465,800) were women and 34% (235,900) were men.

The most commonly reported main reason for not actively looking for work for such men was 'attending an educational institution' (32%), followed by 'own long-term health condition or disability' (17%). The most commonly reported main reason for women was 'caring for children' (28%), followed by 'attending an educational institution' (18%).

### PERSONS NOT ACTIVELY LOOKING FOR WORK, OTHER REASONS, Selected main reasons for not actively looking for work - By sex



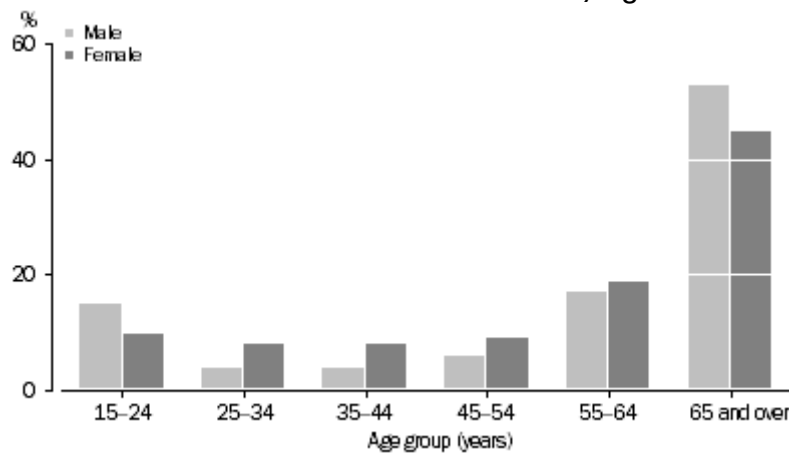
### WITHOUT MARGINAL ATTACHMENT TO THE LABOUR FORCE

The majority of people not in the labour force are without marginal attachment. In September 2007, there were 4.6 million people (1.9 million men and 2.8 million women) aged 15 years and over without marginal attachment to the labour force.



Unlike the age distribution of those with marginal attachment, those without marginal attachment tended to be older. Almost half (48%) were aged 65 years and over (53% of men and 45% of women), followed by 18% who were aged 55-64 years old (17% of men and 19% of women).

#### PERSONS WITHOUT MARGINAL ATTACHMENT, Age and sex distribution



#### Characteristics

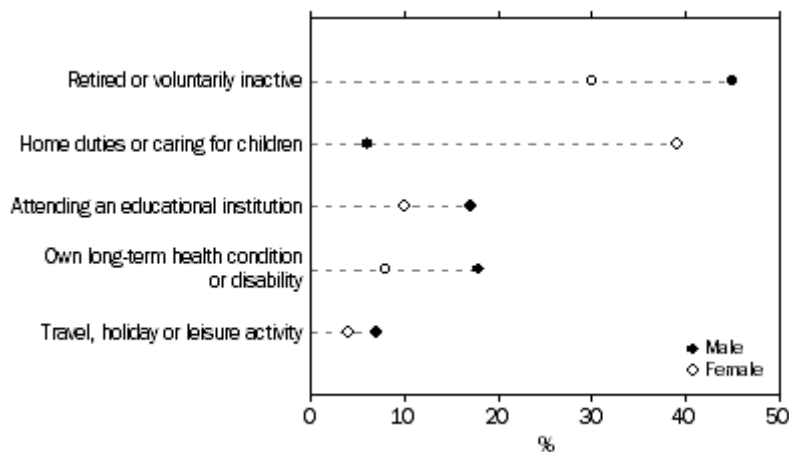
Of those without marginal attachment to the labour force:

- 86% reported that they 'did not want to work', or 'did not know' if they wanted to work
- 7% 'wanted to work but were not actively looking for work and were not available to start work within four weeks,'
- 6% were 'permanently unable to work'.

#### Main activity when not in the labour force

Over one-third (36%) of people without marginal attachment reported their main activity when not in the labour force as 'retired or voluntarily inactive'. The second most common response was 'home duties or caring for children' (26%). The most common response reported by men without marginal attachment was 'retired or voluntarily inactive' (45%) followed by 'own long-term health condition or disability' (18%) and 'attending an educational institution' (17%). Women without marginal attachment most commonly reported 'home duties and caring for children' (39%) and 'retired or voluntarily inactive' (30%) as their main activity when not in the labour force.

#### PERSONS WITHOUT MARGINAL ATTACHMENT, Selected main activities when not in the labour force - By sex



Of the 1.7 million people without marginal attachment to the labour force who reported 'retired or voluntarily inactive' as their main activity when not in the labour force, 81% (82% of men and 80% of women) were aged 65 years and over.

### Main reason not available to start work within four weeks

There were 343,300 people (118,700 men and 224,500 women) without marginal attachment because they wanted to work but were not actively looking for work and were not available to start work within four weeks. The most commonly reported main reason for not being available for work by these people were:

- Studying or returning to studies (43% of men and 19% of women)
- Own long-term health condition or disability (30% of men and 14% of women).

### Time since last job

In September 2007, of those without marginal attachment to the labour force:

- 84% (3.9 million) reported they had previously had a job
  - 57% of these reported that their last job was 10 years ago or more
  - 24% of these reported that their last job was three to nine years ago
- 16% (721,500) reported they had never had a job
  - 61% of these were women.

## About this Release

Persons who were not in the labour force are classified by whether they wanted to work, whether looked for work in the last 12 months, reasons for not actively looking for work, main activity, time since last job and details of that job. Characteristics of persons with marginal attachment to the labour force and discouraged jobseekers are provided. Estimates can be cross-classified by labour force demographics such as state, sex, marital status and birthplace.

Data for September 1994 and September 1995 are available as a standard data service (6220.0.40.001).

# Explanatory Notes

## Explanatory Notes

### EXPLANATORY NOTES

#### INTRODUCTION

**1** The statistics in this publication were compiled from data collected in the Persons Not in the Labour Force Survey that was conducted throughout Australia in September 2007 as a supplement to the monthly Labour Force Survey (LFS). Respondents to the LFS who were in scope of the supplementary survey were asked further questions.

**2** The publication **Labour Force, Australia** (cat. no. 6202.0) contains information about survey design, sample redesign, scope, coverage and population benchmarks relevant to the monthly LFS, which also apply to supplementary surveys. It also contains definitions of demographic and labour force characteristics, and information about telephone interviewing relevant to both the monthly LFS and supplementary surveys.

#### CONCEPTS SOURCES AND METHODS

**3** The conceptual framework used in Australia's LFS aligns closely with the standards and guidelines set out in Resolutions of the International Conference of Labour Statisticians. Descriptions of the underlying concepts and structure of Australia's labour force statistics, and the sources and methods used in compiling these estimates, are presented in **Labour Statistics: Concepts, Sources and Methods** (cat. no. 6102.0.55.001).

#### SCOPE

**4** The scope of the LFS is restricted to people aged 15 years and over and excludes the following people:

- members of the permanent defence forces
- certain diplomatic personnel of overseas governments, customarily excluded from census and estimated populations
- overseas residents in Australia
- members of non-Australian defence forces (and their dependants).

**5** Students at boarding schools, patients in hospitals, residents of homes (e.g. retirement homes, homes for people with disabilities), and inmates of prisons are excluded from all supplementary surveys.

**6** This supplementary survey was conducted in both urban and rural areas in all states and territories, but excluded approximately 120,000 people living in very remote parts of

Australia who would otherwise have been within the scope of the survey. The exclusion of these people will have only a minor impact on any aggregate estimates that are produced for individual states and territories, except the Northern Territory where such people account for around 23% of the population.

## COVERAGE

**7** The estimates in this publication relate to people covered by the survey in September 2007. In the LFS, coverage rules are applied which aim to ensure that each person is associated with only one dwelling and hence has only one chance of selection in the survey. See **Labour Force, Australia** (cat. no. 6202.0) for more details.

## SAMPLE SIZE

**8** Supplementary surveys are not conducted on the full LFS sample. Since August 1994 the sample for supplementary surveys has been restricted to no more than seven-eighths of the LFS sample.

**9** The initial sample for the September 2007 LFS consisted of 41,694 private dwelling households and special dwelling units. Of the 33,915 private dwelling households and special dwelling units that remained in the survey after sample loss (e.g. households selected in the survey which had no residents in scope for the LFS, vacant or derelict dwellings and dwellings under construction), approximately 32,106 or 94.7% were fully responding to the Persons Not in the Labour Force Survey. The number of completed interviews obtained from these private dwelling households and special dwelling units (after taking into account scope, coverage and subsampling exclusions) was 17,609.

## RELIABILITY OF THE ESTIMATES

**10** Estimates in this publication are subject to sampling and non-sampling errors:

- Sampling error is the difference between the published estimate and the value that would have been produced if all dwellings had been included in the survey. For more information see the **Technical Note**.
- Non-sampling errors are inaccuracies that occur because of imperfections in reporting by respondents and interviewers, and errors made in coding and processing data. These inaccuracies may occur in any enumeration, whether it be a full count or a sample. Every effort is made to reduce the non-sampling error to a minimum by careful design of questionnaires, intensive training and supervision of interviewers, and efficient processing procedures.

## SEASONAL FACTORS

**11** The estimates are based on information collected in the survey month, and, due to seasonal factors, may not be representative of other months of the year.

## CLASSIFICATIONS USED

**12** From 2006, occupation data are classified according to the **ANZSCO-Australian and New Zealand Standard Classification of Occupations, First Edition, 2006** (cat. no. 1220.0). This new classification replaces the **ASCO-Australian Standard Classification of Occupations, Second Edition, 1997** (cat. no. 1220.0). Data classified according to ASCO can be obtained on request.

**13** Country of birth data are classified according to the **Standard Australian Classification of Countries (SACC), 1998** (cat. no. 1269.0).

## **COMPARABILITY OF TIME SERIES**

**14** Revisions are made to population benchmarks for the LFS after each five-yearly Census of Population and Housing. The last such revision was made in February 2004 to take account of the results of the 2001 Census of Population and Housing. Estimates from supplementary surveys conducted from and including February 2004 are therefore based on revised population benchmarks.

**15** Persons Not in the Labour Force Surveys conducted up to and including September 1987 included all people aged 15 years and over. From September 1988 to September 2004, the survey excluded all people aged 70 years and over.

**16** The scope of the Persons Not in the Labour Force Survey was expanded in September 2005 to include all people aged 15 years and over. This change resulted in about 1.6 million extra people coming within the scope of this survey. Users need to exercise caution when comparing the estimates prior to 2005 with subsequent years. Direct comparisons should only be made where the populations are the same.

**17** From September 2006 estimates of the number of people not in the labour force because they were caring for children, include people whose youngest child was aged 12 years and under. Previously questions relating to the care of children were only asked of people with children aged 11 years and under. This change was made to ensure consistency with other ABS surveys. Users need to exercise care when comparing the estimates in Table 9 of this publication with publications prior to September 2006.

**18** Following a review of the Persons Not in the Labour Force Survey, a number of changes were implemented in the 2007 cycle. Users need to exercise caution when comparing estimates from 2007 with previous years data. The changes are documented below.

**19** Between September 2001 and September 2006 people who reported in the LFS that they were 'permanently not intending to work' were not asked questions about wanting to work and looking for work in the Persons Not in the Labour Force Survey. As such, these people were classified as 'Did not want to work'. It is likely, however, that if they had been asked these questions, then some of these people may have been classified differently and may have been included in one of the 'wanted to work' categories. From September 2007, people who specified that they were 'permanently not intending to work' were asked questions about wanting to work and looking for work. As a result of this change, there has been a break in time series. Users need to exercise caution when comparing estimates from 2007 with previous years data. The table below shows how these people were classified in

2007 compared with how they would have been classified between 2001 and 2006.

**CIVILIAN POPULATION AGED 15 YEARS AND OVER, Persons not in the labour force status - comparison of key estimates based on current and previous survey procedures**

	2007 Published '000	2007 Previous classification '000	Difference	
			'000	%
Persons not in the labour force	5 492.0	5 492.0	-	-
With marginal attachment to the labour force	845.4	787.1	58.3	7.4
Wanted to work and were actively looking for work	67.1	67.1	-	-
Were available to start work within four weeks	45.4	45.4	-	-
Were not available to start work within four weeks	21.7	21.7	-	-
Wanted to work but were not actively looking for work and were available to start work within four weeks	778.4	720.0	58.3	8.1
Discouraged job seekers	76.6	55.6	21.1	37.9
Other	701.7	664.5	37.3	5.6
Without marginal attachment to the labour force	4 646.5	4 704.9	-58.3	-1.2
Wanted to work but were not actively looking for work and were not available to start work within four weeks	343.3	330.0	13.3	4.0
Did not want to work	4 007.0	4 078.7	-71.6	-1.8
Permanently unable to work	296.2	296.2	-	-

- nil or rounded to zero (including null cells)

**20** Prior to September 2007, the data items 'All reasons for not actively looking for work', 'Main reason for not actively looking for work' and 'Main reason not available to start work within four weeks' included the category 'own ill health, physical disability or pregnancy'. From September 2007, this category has been split into three separate categories; 'own short-term illness or injury', 'own long-term health condition or disability' and 'pregnancy'.

**21** Prior to September 2007, the data items 'Reason for ceasing last job' and 'Main activity when not in the labour force' included the categories 'own ill-health or injury' and 'own disability or handicap'. From September 2007, these categories were renamed to ensure they were consistent with those in other data items and have been collected as 'own short-term illness or injury' and 'own long-term health condition or disability' respectively. While the way interviewers were instructed to code the responses to the relevant categories did not conceptually change, the renaming has caused a break in time series. Users need to exercise caution when comparing estimates from 2007 with previous years data. The following table shows a comparison of the renamed categories between 2006 and 2007.

**PERSONS NOT IN THE LABOUR FORCE, Change in Reason for ceasing last job and Main activity when not in the labour force, 2006-2007**

	2007		2006	
	'000	%	'000	%

Reason for ceasing last job

Own long-term health condition or disability	11.6	13.6	Own disability or handicap	551.4	67.4
Own short-term illness or injury	736.8	86.4	Own illness or injury	267.1	32.6
<b>Total</b>	<b>852.8</b>	<b>100.0</b>	<b>Total</b>	<b>818.5</b>	<b>100.0</b>
Main activity when not in the labour force					
Own long-term health condition or disability	63.3	9.3	Own disability or handicap	301.6	46.6
Own short-term illness or injury	616.8	90.7	Own illness or injury	345.2	53.4
<b>Total</b>	<b>680.2</b>	<b>100.0</b>	<b>Total</b>	<b>646.7</b>	<b>100.0</b>

**22** From September 2007, a new data item, 'All reasons not available to start work within four weeks', has been collected in addition to 'Main reason not available to start work within four weeks'.

## COMPARABILITY WITH MONTHLY LFS STATISTICS

**23** Due to differences in the scope and sample size of this supplementary survey and that of the LFS, the estimation procedure may lead to some small variations between labour force estimates from this survey and those from the LFS.

**24** For the years 1988 to 2004, the difference between the estimates appearing in this publication and in **Labour Force, Australia** (cat. no. 6202.0) is chiefly the result of excluding people aged 70 years and over from the sample of this supplementary survey. In these years, over one-quarter (29%) of the civilian population aged 15 years and over who were not in the labour force were excluded from answering questions because they were aged 70 years and over.

**25** Core LFS series from April 1986 to March 2001 have been revised on the basis of the redesigned LFS questionnaire. Supplementary survey data have not been revised.

**26** Further information on persons not in the labour force is available in **Labour Force, Australia** (cat. no. 6202.0).

## PREVIOUS SURVEYS

**27** The Persons Not in the Labour Force Survey was first conducted in May 1975 and again in May 1977. From 1979 to 1987 the survey was collected twice a year (March and September). Since then it has been conducted annually in September. Results of previous surveys were published in:

- **Persons Not in the Labour Force, Australia** (cat. no. 6220.0)
- standard data service Persons Not in the Labour Force, Australia (cat. no. 6220.0.40.001) for 1994 and 1995 (available in hardcopy only).

## NEXT SURVEY

**28** The ABS plans to conduct this survey again in September 2008.

## ACKNOWLEDGMENT

**29** ABS publications draw extensively on information provided freely by individuals, businesses, governments and other organisations. Their continued cooperation is very much appreciated: without it, the wide range of statistics published by the ABS would not be available. Information received by the ABS is treated in strict confidence as required by the **Census and Statistics Act 1905**.

## PRODUCTS AND SERVICES

### Spreadsheets

**30** Additional tables with time series data will be released in spreadsheet format. These tables will be made available from the ABS website.

## RELATED PUBLICATIONS

**31** ABS publications which may be of interest include:

- **Australian Labour Market Statistics** (cat. no. 6105.0)
- **Barriers and Incentives to Labour Force Participation, Australia** (cat. no. 6239.0)
- **Job Search Experience, Australia** (cat. no. 6222.0)
- **Labour Statistics: Concepts, Sources and Methods** (cat. no. 6102.0.55.001)
- **Underemployed Workers, Australia** (cat. no. 6265.0)

**32** Current publications and other products released by the ABS are available from the Statistics Page on the ABS website. The ABS also issues a daily Release Advice on the website which details products to be released in the week ahead.

## Glossary

### GLOSSARY

#### Actively looking for work

People who were taking active steps to find work. Active steps comprise:

- registering with a Job Network employment agency
- contacting an employment agency
- contacting prospective employers
- answering a newspaper advertisement for a job
- checking Centrelink touch screens
- checking factory noticeboards
- advertising or tendering for work
- contacting friends or relatives.

#### Age of youngest child



Age of the youngest child, 12 years and under, in the household.

### **Available to start work within four weeks**

People who were available to start work within four weeks or, for people with children aged 12 years and under, could start work within four weeks if suitable child care was available.

### **Did not want to work**

People who were not classified as employed or unemployed who answered 'no' when asked if they would like a job.

### **Discouraged job seekers**

People with marginal attachment to the labour force who wanted to work and were available to start work within the next four weeks but whose main reason for not actively looking for work was that they believed they would not find a job for any of the following reasons:

- considered to be too young by employers
- considered to be too old by employers
- lacked necessary schooling, training, skills or experience
- difficulties because of language or ethnic background
- no jobs in their locality or line of work
- no jobs at all.

### **Employed**

People who, during the reference week:

- worked for one hour or more for pay, profit, commission or payment in kind in a job or business, or on a farm (comprising employees, employers and own account workers); or
- worked for one hour or more without pay in a family business or on a farm (i.e. contributing family workers); or
- were employees who had a job but were not at work and were:
  - away from work for less than four weeks up to the end of the reference week; or
  - away from work for more than four weeks up to the end of the reference week and received pay for some or all of the four week period to the end of the reference week; or
  - away from work as a standard work or shift arrangement; or
  - on strike or locked out; or
  - on workers' compensation and expected to return to their job; or
- were employers or own account workers who had a job, business or farm, but were not at work.

### **Family**

Two or more people, one of whom is at least 15 years of age, who are related by blood, marriage (registered or de facto), adoption, step or fostering; and who are usually resident in the same household. The basis of a family is formed by identifying the presence of a couple relationship, lone parent-child relationship or other blood relationship. Some households will, therefore, contain more than one family.

### **Family reasons for not actively looking for work**

Includes ill health of someone other than themselves, caring for children and other family considerations.

### **Full-time or part-time preference**

A person's perception of whether they would prefer to work full-time or part-time when/if they go to work, regardless of whether they are able to start work.

### **Full-time or part-time status in last job**

A person's perception of whether they worked full-time or part-time in their last job.

### **Future starters**

People waiting to start, within four weeks of the end of the reference week, a new job that they have already obtained (and could have started in the reference week if the job had been available then). Under International Labour Organisation (ILO) guidelines these persons do not have to be actively looking for work to be classified as unemployed.

### **Had a job to go to**

People who were waiting to start a job, but would not be starting within four weeks. Also includes people who had a job but, up to the end of the reference week, had been away from work without pay for four weeks or longer and had not been actively looking for work.

### **Intention to enter the labour force in the next 12 months**

A person's intention to work or look for work in the 12 months following the interview.

### **Job**

Any employment, full-time or part-time, lasting two weeks or more.

### **Job leavers**

People who are classified as voluntarily ceasing their last job.

### **Job losers**

People who are classified as involuntarily ceasing their last job.

## **Labour force**

The civilian population can be split into two mutually exclusive groups: the labour force (employed and unemployed people) and persons not in the labour force.

## **Main activity when not in the labour force**

The main activity of people who are not in the labour force since they last worked or looked for work (or in the last year if they haven't worked in that time).

## **Marginal attachment to the labour force**

People who were not in the labour force in the reference week, wanted to work and:

- were actively looking for work but did not meet the availability criteria to be classified as unemployed; or
- were not actively looking for work but were available to start work within four weeks.

The criteria for determining those in the labour force are based on activity (i.e. working or looking for work) and availability to start work during the reference week. The criteria associated with marginal attachment to the labour force, in particular the concepts of wanting to work and reasons for not actively looking for work, are more subjective. Hence, the measurement against these criteria is affected by the respondent's own interpretation of the concepts used. An individual respondent's interpretation may be affected by their work aspirations, as well as family, economic and other commitments.

## **Main English-speaking countries**

The list of main English-speaking countries provided here is not an attempt to classify countries on the basis of whether or not English is the predominant or official language of each country. It is a list of the main countries from which Australia receives, or has received, significant numbers of overseas settlers who are likely to speak English. These countries comprise the United Kingdom, the Republic of Ireland, New Zealand, Canada, South Africa and the United States of America.

## **Occupation in last job**

An occupation is a collection of jobs that are sufficiently similar in their title and tasks, skill level and skill specialisation which are grouped together for the purposes of classification. In this publication occupation refers to Major Group as defined by ANZSCO-Australian and New Zealand Standard Classification of Occupations, First Edition, 2006 (cat. no. 1220.0). Relates to persons who have had a job less than 20 years ago only.

## **Personal reasons for not actively looking for work**

Includes 'own short-term illness or injury' or 'long-term health condition or disability', 'pregnancy', 'attending an educational institution', 'had no need to work', 'welfare payments

or pension may be affected', and 'moved house or on holidays'.

### **Persons in the labour force**

People who were classified as being in the labour force, that is, either employed or unemployed.

### **Persons not in the labour force**

People who were not in the categories 'employed' or 'unemployed' as defined.

### **Persons not in the labour force because they were caring for children**

People who wanted to work and:

- were not actively looking for work because they were caring for children, but were available to start work within four weeks; or
- were not actively looking for work and reported that they were not available to start work within four weeks because they were caring for children.

### **Reference week**

The week preceding the week in which the interview was conducted.

### **Status in employment in last job**

People who had a job in the last 20 years classified by whether they were employees, employers, own account workers, contributing family workers or unpaid voluntary workers in their last job.

### **Time since last job**

The elapsed time since ceasing last job.

### **Unemployed**

People aged 15 years and over who were not employed during the reference week, and:

- had actively looked for full-time or part-time work at any time in the four weeks up to the end of the reference week and were available for work in the reference week; or
- were waiting to start a new job within four weeks from the end of the reference week and could have started in the reference week if the job had been available then.

### **Wanted to work**

People who were not classified as employed or unemployed and who answered 'yes' or

'maybe' when asked if they would like a job.

## Abbreviations

### ABBREVIATIONS

The following symbols and abbreviations are used in this publication:

ABS	Australian Bureau of Statistics
ANZSCO	Australian and New Zealand Standard Classification of Occupations
ASCO	Australian Standard Classification of Occupations
ILO	International Labour Organization
LFS	Labour Force Survey
RSE	relative standard error
SACC	Standard Australian Classification of Countries
SE	standard error

## Populations and data items list (Appendix 1)

### APPENDIX 1 POPULATIONS AND DATA ITEMS LIST

#### DATA AVAILABLE ON REQUEST

The ABS has a range of data available on request from the Persons Not in the Labour Force Survey. This section lists the data items and populations which relate to the survey. More detailed breakdowns of some data items may also be available on request.

The population(s) for a particular data item refers to the person in the survey to whom the data item relates.

For more information about ABS data available on request, contact Tracey Chester on Canberra (02)6252 5609, or by facsimile on (02)6252 5066, or by email to <tracey.chester@abs.gov.au>.

#### Population 1:

Persons not in the labour force

#### Population 2:

Persons not in the labour force who wanted to work

#### Population 3:

Persons not in the labour force with marginal attachment to the labour force

**Population 4:**

Persons not in the labour force who wanted to work but were not actively looking for work and were available to start work within four weeks

**Population 5:**

Persons not in the labour force who were discouraged job seekers

**Population 6:**

Persons not in the labour force who wanted to work but were not actively looking for work and were not available to start work within four weeks

**Population 7:**

Persons not in the labour force because they were caring for children, who wanted to work but not actively looking for work

**Population 8:**

Persons not in the labour force who previously had a job

**Population 9:**

Persons not in the labour force without marginal attachment to the labour force

**Population 10:**

Persons not in the labour force whose last job was less than twenty years ago

Data items		Populations
1	State or territory of usual residence	All
	New South Wales	
	Victoria	
	Queensland	
	South Australia	
	Western Australia	
	Tasmania	
	Northern Territory	
	Australian Capital Territory	
2	Area of usual residence	All
	State capital city	
	Balance of state/territory	
3	Region of usual residence	All
	Standard labour force dissemination regions	
4	Sex	All
	Males	
	Females	

5	Marital status	All
	Married	
	Not married	
6	Relationship in household	All
	Family member	
	Husband, wife or partner	
	With dependants	
	Without dependants	
	Lone parent	
	With dependants	
	Without dependants	
	Dependent student	
	Non-dependent child	
	Other related individual	
	Non-family member	
	Lone person	
	Not living alone	
	Relationship not determined	
7A	Country of birth of person and year of arrival in Australia	All
	Born in Australia	
	Born overseas	
	Arrived before 1971	
	Arrived 1971-1980	
	Arrived 1981-1990	
	Arrived 1991-2000	
	Arrived 2001 to survey date	
7B	Country of birth of person	All
	Born in Australia	
	Born overseas	
	Oceania and Antarctica	
	North-West Europe	
	Southern and Eastern Europe	
	North Africa and the Middle East	
	South-East Asia	
	North-East Asia	
	Southern and Central Asia	
	Americas	
	Sub-Saharan Africa	
7C	Country of birth of person (MESC)	All
	Born in Australia	
	Born overseas	
	Born in main English-speaking countries	
	Born in other than main English-speaking countries	
8	Age group (years)	All
	15-19	
	20-24	
	25-34	
	35-44	
	45-54	
	55-59	
	60-64	
	65-69	
	70 and over	
9A	Persons not in the labour force summary variable	1, 8, 10
	With marginal attachment to the labour force	
	Wanted to work and were actively looking for work	
	Were available to start work within four weeks	
	Were not available to start work within four weeks	
	Wanted to work but were not actively looking for work and were available to start work within four weeks	
	Discouraged job seekers	
	Other	
	Without marginal attachment to the labour force	
	Wanted to work but were not actively looking for work and were not available to start work within four weeks	

	Did not want to work	
	Permanently unable to work	
9B	Marginal attachment summary variable	3
	Wanted to work and were actively looking for work	
	Were available to start work within four weeks	
	Were not available to start work within four weeks	
	Wanted to work but were not actively looking for work and were available to start work within four weeks	
	Discouraged job seekers	
	Other	
10	Whether wanted to work	1, 8, 10
	Wanted to work	
	Might want to work	
	Did not want to work	
	Did not know	
11	Whether looked for work in the last 12 months	All
	Had looked for work	
	Less than 5 weeks ago	
	5 weeks and less than 8 weeks ago	
	8 weeks and less than 13 weeks ago	
	13-52 weeks ago	
	13 weeks and less than 26 weeks ago	
	26 weeks and less than 39 weeks ago	
	39-52 weeks ago	
	Had not looked for work	
12	Main activity when not in the labour force	All
	Retired or voluntarily inactive	
	Home duties or caring for children	
	Attending an educational institution	
	Own long-term health condition or disability	
	Own short-term illness or injury	
	Looking after ill or disabled person	
	Travel, holiday or leisure activity	
	Working in unpaid voluntary job	
	Other	
13A	Time since last job	All
	Had a job	
	Under 12 months	
	1 week and under 4 weeks	
	4 weeks and under 8 weeks	
	8 weeks and under 13 weeks	
	13 weeks and under 26 weeks	
	26 weeks and under 39 weeks	
	39 weeks and under 52 weeks	
	1 year and under 3 years	
	3 years and under 10 years	
	3 years and under 5 years	
	5 years and under 10 years	
	10 years or more	
	10 years and under 20 years	
	20 years or more	
	Never had a job	
13B	Whether had a job in the last 20 years	All
	Had a job	
	Last job less than 20 years ago	
	Last job 20 or more years ago	
	Never had a job	
14	Reason for ceasing last job	All



	Had a job		
	Job loser	Retrenched, made redundant, employee went out of business, dismissed, no work was available Job was temporary or seasonal Own short-term illness or injury Own business closed down for economic reasons	
	Job leaver	Unsatisfactory work arrangements Retired, did not work any longer Own long-term health condition or disability Returned to studies Pregnancy or to have children To get married To look after family, house or someone else To have holidays, moved house or spouse transferred Own business closed down for other than economic reasons Other	
	Never had a job		
15	Occupation in last job		All
	Last job less than 20 years ago		
	Managers		
	Professionals		
	Technicians and trades workers		
	Community and personal service workers		
	Clerical and administrative workers		
	Sales workers		
	Machinery operators and drivers		
	Labourers		
	Last job 20 or more years ago		
	Never had a job		
16A	Status in employment in last job (1)		All
	Last job less than 20 years ago		
	Employer		
	Own account worker		
	Employee		
	Contributing family worker		
	Unpaid voluntary worker		
	Last job 20 or more years ago		
	Never had a job		
16B	Status in employment in last job (2)		All
	Last job less than 20 years ago		
	Employee		
	Own account worker/Employer		
	Other		
	Last job 20 or more years ago		
	Never had a job		
17	Full-time or part-time status in last job		All
	Last job less than 20 years ago		
	Full-time		
	Part-time		
	Varied/Did not know		
	Last job 20 or more years ago		
	Never had a job		
18A	Intention to enter the labour force		All
	Intended to enter the labour force		
	Might enter the labour force		
	Did not intend to enter the labour force		
	Did not know		

	Permanently unable to work	
	Not applicable (full-time student)	
18B	Intention to enter the labour force in the next 12 months	All
	Intended to enter the labour force in the next 12 months	
	Might enter the labour force in the next 12 months	
	Did not intend to enter the labour force in the next 12 months	
	Did not know	
	Permanently unable to work	
19	Full-time or part-time preference	2-7
	Full-time	
	Part-time	
	No preference	
	Undecided	
20	Main reason for not actively looking for work	3
	Wanted to work and were actively looking for work	
	Were available to start work within four weeks	
	Were not available to start work within four weeks	
	Wanted to work but were not actively looking for work and were available to start work within four weeks	
	Discouraged job seekers	
	Considered too young by employers	
	Considered too old by employers	
	Lacked the necessary schooling, training, skills or experience	
	Difficulties because of language or ethnic background	
	No jobs in locality or line of work	
	No jobs at all	
	Other reasons	
	Personal reasons	
	Own short-term illness or injury	
	Own long-term health condition or disability	
	Pregnancy	
	Attending an educational institution	
	Had no need to work	
	Welfare payments or pension may be affected	
	Moved house or holidays	
	Family reasons	
	Ill health of other than self	
	Caring for children	
	No child care in locality	
	No child care available at all	
	Cost or too expensive	
	Booked out or no places available	
	Children too young or too old	
	Prefers to look after children	
	Quality of child care unsuitable	
	Other reasons	
	Other family considerations	
	No jobs in suitable hours	
	Other reasons	
	Had a job to go to	
	Did not know	
21	All reasons for not actively looking for work	4
	Discouraged job seekers	
	Considered too young by employers	
	Considered too old by employers	
	Lacked the necessary schooling, training, skills or experience	

	Difficulties because of language or ethnic background	
	No jobs in locality or line of work	
	No jobs at all	
	Other reasons	
	Personal reasons	
	Own short-term illness or injury	
	Own long-term health condition or disability	
	Pregnancy	
	Attending an educational institution	
	Had no need to work	
	Welfare payments or pension may be affected	
	Moved house or holidays	
	Family reasons	
	Ill health of other than self	
	Caring for children	
	Other family considerations	
	No jobs in suitable hours	
	Other reasons	
	Had a job to go to	
	Did not know	
22	Main reason not working due to caring for children	7
	No child care in locality	
	No child care available at all	
	Cost or too expensive	
	Booked out or no places available	
	Children too young or too old	
	Prefers to look after children	
	Quality of child care unsuitable	
	Other child care reasons	
23A	Main reason not available to start work within four weeks	6
	Personal reasons	
	Own short-term illness or injury	
	Own long-term health condition or disability	
	Pregnancy	
	Studying or returning to studies	
	Moved house or holidays	
	Family reasons	
	Ill health of other than self	
	Unable to find suitable child care	
	Children too young or preferred to look after children	
	On a job-related training program	
	Other reasons	
23B	All reasons not available to start work within four weeks	6
	Personal reasons	
	Own short-term illness or injury	
	Own long-term health condition or disability	
	Pregnancy	
	Studying or returning to studies	
	Moved house or holidays	
	Family reasons	
	Ill health of other than self	
	Caring for children	
	On a job-related training program	
	Other reasons	
24	Age of youngest child	7
	0-2 years	
	3-4 years	
	5 years	
	6-9 years	
	10-12 years	
25	Number of children	7
	Aged 0-2 years	
	Aged 3-4 years	
	Aged 5 years	

26	Aged 6-9 years	All
	Aged 10-12 years	
	Full-time study status (15-24 year olds)	
	Was a full-time student	
	Was not a full-time student	
	Did not know	

## Supplementary surveys list (Appendix 2)

### APPENDIX 2 SUPPLEMENTARY SURVEYS LIST

#### SUPPLEMENTARY SURVEYS

The Monthly Population Survey program and Multi-Purpose Household Survey program collect data on particular aspects of the labour force. The following is an historical list of labour surveys collected in these programs. Data from these surveys are available on request and can be obtained by contacting the ABS.

	cat. no.	Frequency	Latest issue
Monthly Population Supplementary Surveys			
Child Care, Australia	4402.0	Irregular	June 2005
Child Employment, Australia	6211.0	Irregular	June 2006
Education and Work, Australia	6227.0	Annual	May 2006
Employee Earnings, Benefits, and Trade Union Membership, Australia	6310.0	Annual	August 2006
Forms of Employment, Australia	6359.0	Annual	November 2006
Job Search Experience, Australia	6222.0	Annual	July 2007
Labour Force Experience, Australia	6206.0	Biennial	February 2007
Labour Force Status and Other Characteristics of Migrants, Australia	6250.0	Irregular	November 2004
Labour Mobility, Australia	6209.0	Biennial	February 2006
Locations of Work, Australia	6275.0	Irregular	November 2005
Multiple Jobholding, Australia(a)	6216.0	Irregular	August 1997
Persons Not in the Labour Force, Australia	6220.0	Annual	September 2007
Underemployed Workers, Australia	6265.0	Annual	September 2007
Working Time Arrangements, Australia(b)	6342.0	Irregular	November 2006
Multi-Purpose Household Surveys			
Barriers and Incentives to Labour Force Participation, Australia	6239.0	Biennial	2006-07
Retirement and Retirement Intentions, Australia	6238.0	Biennial	2006-07
Work-Related Injuries, Australia	6324.0	Irregular	2005-06

(a) Latest data available on request, July 2001.

(b) This product replaces the publication Working Arrangements, Australia (cat. no. 6342.0).

## Quality Declaration - Summary

### QUALITY DECLARATION - SUMMARY

#### INSTITUTIONAL ENVIRONMENT

For information on the institutional environment of the Australian Bureau of Statistics (ABS),

including the legislative obligations of the ABS, financing and governance arrangements, and mechanisms for scrutiny of ABS operations, please see ABS Institutional Environment.

## RELEVANCE

Persons not in the labour force are people who are neither employed nor unemployed in a particular reference period. They can be divided into two groups, those with marginal attachment to the labour force and those without marginal attachment to the labour force.

Persons are considered marginally attached to the labour force if they:

- want to work and are actively looking for work but are not available to start work in the reference week; or
- want to work and are not actively looking for work but are available to start work within four weeks.

Persons are considered not marginally attached to the labour force if they:

- did not want to work; or
- want to work, but were not actively looking for work and were not available to start work within four weeks; or
- were permanently unable to work.

The Persons Not in the Labour Force Survey collects a range of information about people not in the labour force, including the reasons why they were not actively looking for work or were not available for work, their main activity while not in the labour force, whether they have worked previously and if so, time since their last job, occupation in their last job and the reasons for ceasing their last job.

Numbers derived from Persons Not in the Labour Force Survey contribute to measures of the Extended labour force underutilisation rate.

## TIMELINESS

The Persons Not in the Labour Force Survey is conducted annually during September as a supplement to the monthly Labour Force Survey. Results from this survey are released approximately six months after the completion of enumeration (i.e. during March) in the publication, **Persons Not in the Labour Force, Australia** (cat. no. 6220.0).

## ACCURACY

Estimates from the Persons Not in the Labour Force Survey are subject to sampling and non-sampling errors. Relative standard error (RSE) is a measure of the size of the sampling error affecting an estimate, i.e. the error introduced by basing estimates on a sample of the population rather than the full population. Non-sampling errors are inaccuracies that occur because of imperfections in reporting by respondents and interviewers, and errors made in coding and processing data.

The Persons Not in the Labour Force Survey was designed primarily to provide estimates at the Australia level. Broad estimates are available for state and capital city/balance, though users should exercise caution when using estimates at this level because of the presence of high sampling errors. RSEs for all estimates from the survey are available in the Technical

Note of the publication, **Persons Not in the Labour Force, Australia** (cat. no. 6220.0).

## COHERENCE

While the Labour Force Survey provides the official estimate of persons not in the labour force, the Persons Not in the Labour Force Survey provides further information on the characteristics of these people. Summary information is also collected in the Labour Force Survey on a quarterly basis, however this information is restricted to marginally attached people who had actively looked for work but were not available to start in the reference week but were available within four weeks. The Census of Population and Housing, and Special Social Surveys also provide summary information on persons not in the labour force, however the scope and methodology used differs from Persons Not in the Labour Force Survey.

The conceptual framework used for this survey is described in **Chapter 7 of Labour Statistics: Concepts, Sources and Methods** (cat. no. 6102.0.55.001). The statistics in this survey are comparable with other labour statistics produced by the ABS. The ABS definition of persons not in the labour force is consistent with the International Labour Organisation definition adopted in 1982.

The ABS conducted the first Persons Not in the Labour Force Survey in May 1975, and again in May 1977. From 1979 to 1987 the survey was collected twice a year (March and September). Since then it has been conducted annually in September.

Key changes made to Persons Not in the Labour Force Survey include:

- revision of population benchmarks
- changes in the scope of the survey
- change in the classification of people 'permanently not intending to work'
- revision of data items.

For more information on changes to the survey see **Chapter 21.10 of Labour Statistics: Concepts, Sources and Methods** (cat. no. 6102.0.55.001) or the Explanatory Notes of the publication, **Persons Not in the Labour Force, Australia** (cat. no. 6220.0).

## INTERPRETABILITY

The Persons Not in the Labour Force publication contains tables with footnoted data and a Summary of Findings to aid interpretation of the results of the survey. Detailed Explanatory Notes, a Technical Note and a Glossary are also included providing information on the terminology, classifications and other technical aspects associated with these statistics.

Further commentary is often available through articles and data published in other ABS products, including:

- **Australian Labour Market Statistics** (cat. no. 6105.0) - refer to **Appendix 2** for past articles.
- **Australian Social Trends** (cat. no. 4102.0) - refer to the **Cumulative list of articles** for past articles.
- **Year Book, Australia** (cat. no. 1301.0) - refer to the 'Labour' chapter.

## ACCESSIBILITY

The main product from the survey is a PDF publication, **Persons Not in the Labour Force**,

**Australia** (cat. no. 6220.0), released electronically via the ABS website. Additional data may be available on request. For a list of data items available see **Appendix 1** of the publication. Note that detailed data can be subject to high relative standard errors, and in some cases, may result in data being confidentialised.

Additional tables in spreadsheet format with time series data are also available from the ABS website.

The Extended labour force underutilisation rate is published annually in the April issue of **Australian Labour Market Statistics** (cat. no. 6105.0) and in **Australian Social Trends** (cat. no. 4102.0).

For further information about these or related statistics, contact the National Information and Referral Centre on 1300 135 070 or the Labour Market Section in Canberra on (02) 6252 7206.

## Quality Declaration - Relevance

### EMPLOYED

People aged 15 years and over who, during the reference week:

- worked for one hour or more for pay, profit, commission or payment in kind, in a job or business or on a farm (comprising employees, employers and own account workers); or
- worked for one hour or more without pay in a family business or on a farm (i.e. contributing family workers); or
- were employees who had a job but were not at work and were:
  - away from work for less than four weeks up to the end of the reference week; or
  - away from work for more than four weeks up to the end of the reference week and received pay for some or all of the four-week period to the end of the reference week; or
  - away from work as a standard work or shift arrangement; or
  - on strike or locked out; or
  - on workers' compensation and expected to return to their job; or
- were employers or own account workers who had a job, business or farm, but were not at work.

### UNEMPLOYED

People aged 15 years and over who were not employed during the reference week, and:

- had actively looked for full-time or part-time work at any time in the four weeks up to the end of the reference week and were available for work in the reference week; or
- were waiting to start a new job within four weeks from the end of the reference week and could have started in the reference week if the job had been available then.

## **MARGINAL ATTACHMENT TO THE LABOUR FORCE**

The criteria for determining those in the labour force are based on activity (i.e. working or looking for work) and availability to start work during the reference week. The criteria associated with marginal attachment to the labour force, in particular the concepts of wanting to work and reasons for not actively looking for work, are more subjective. Hence, the measurement against these criteria is affected by the respondent's own interpretation of the concepts used. An individual respondent's interpretation may be affected by their work aspirations, as well as family, economic and other commitments.

## **ACTIVELY LOOKING FOR WORK**

People who were taking active steps to find work. Active steps comprise:

- registering with a Job Network employment agency
- contacting an employment agency
- contacting prospective employers
- answering a newspaper advertisement for a job
- checking Centrelink touch screens
- checking factory noticeboards
- advertising or tendering for work
- contacting friends or relatives.

## **AVAILABILITY TO START WORK WITHIN FOUR WEEKS**

Refers to whether people were available to start work within four weeks or, for people with children aged 12 years and under, whether they could start work within four weeks if suitable child care was available.

## **Quality Declaration - Coherence**

Key changes made to Persons Not in the Labour Force Survey include:

### **REVISION OF POPULATION BENCHMARKS**

Revisions were made to population benchmarks for the Labour Force Survey and supplementary surveys in 2004 to take account of the 2001 Census of Population and Housing. Estimates from supplementary surveys conducted from and including February 2004 are based on the revised benchmarks.

### **CHANGES IN THE SCOPE OF THE SURVEY**

Persons Not in the Labour Force Surveys conducted up to and including September 1987 included all people aged 15 years and over. From September 1988 to September 2004, the survey excluded all people aged 70 years and over.

The scope of the Persons Not in the Labour Force Survey was expanded in September



2005 to include all people aged 15 years and over. This change resulted in about 1.6 million extra people coming within the scope of this survey. Users need to exercise care when comparing the estimates prior to 2005 with subsequent years. Direct comparisons should only be made where the populations are the same.

## **CHANGE IN THE CLASSIFICATION OF PEOPLE 'PERMANENTLY NOT INTENDING TO WORK'**

From September 2007, people who specified that they were 'permanently not intending to work' were asked questions about wanting to work and looking for work. However previously, between 2001 and 2006 this group were not asked further questions about looking for work and wanting to work in Persons Not in the Labour Force survey.

Between 2001 and 2006 people who reported in the LFS that they were 'permanently not intending to work' were not asked questions about wanting to work and looking for work in the Persons Not in the Labour Force Survey. As such, these people were classified as 'Did not want to work'. It is likely, however, that if they had been asked these questions, then some of these people may have been classified differently and may have been included in one of the 'wanted to work' categories. From September 2007, people who specified that they were 'permanently not intending to work' were asked questions about wanting to work and looking for work.

## **REVISION OF DATA ITEMS**

From September 2006, estimates of the number of people not in the labour force because they were caring for children, include people whose youngest child was aged 12 years and under. Previously questions relating to the care of children were only asked of people with children aged 11 years and under. This change was made to ensure consistency with other ABS surveys. Users need to exercise care when comparing the estimates in Table 10 of this publication with publications prior to September 2006.

Prior to September 2007, the data items 'All reasons for not actively looking for work', 'Main reason for not actively looking for work' and 'Main reason not available to start work within four weeks' included the category 'own ill health, physical disability or pregnancy'. From September 2007, this category has been split into three separate categories; 'own short-term illness or injury', 'own long-term health condition or disability' and 'pregnancy'.

Prior to September 2007, the data items 'Reason for ceasing last job' and 'Main activity when not in the labour force' included the categories 'own ill-health or injury' and 'own disability or handicap'. From September 2007, these categories were renamed to ensure they were consistent with those in other data items and have been collected as 'own short-term illness or injury' and 'own long-term health condition or disability' respectively. While the way interviewers were instructed to code the responses to the relevant categories did not conceptually change, the renaming has resulted in some movement between the responses.

From September 2007, a new data item, 'All reasons not available to start work within four weeks', has been collected in addition to 'Main reason not available to start work within four weeks'.

## **Data Cubes (I-Note) - Data Cubes**

## **RELEASE OF TIME SERIES DATA CUBES FOR PERSONS NOT IN THE LABOUR FORCE, SEPTEMBER 2007 (21 APRIL 2008)**

Data cubes for Persons Not in the Labour Force, September 2007 are now available.

Changes in survey procedures and question wording have affected the comparability over time of some data items in spreadsheets 2, 3 and 4. Users need to exercise caution when comparing estimates from 2007 with previous years data.

More details of these changes are provided in the Explanatory Notes of applicable spreadsheets and in the Explanatory Notes of the publication.

## **Data Quality (Technical Note)**

### **TECHNICAL NOTE DATA QUALITY**

#### **INTRODUCTION**

**1** Since the estimates in this publication are based on information obtained from occupants of a sample of dwellings, they are subject to sampling variability. That is, they may differ from those estimates that would have been produced if all dwellings had been included in the survey. One measure of the likely difference is given by the standard error (SE), which indicates the extent to which an estimate might have varied by chance because only a sample of dwellings was included. There are about two chances in three (67%) that a sample estimate will differ by less than one SE from the number that would have been obtained if all dwellings had been included, and about 19 chances in 20 (95%) that the difference will be less than two SEs. Another measure of the likely difference is the relative standard error (RSE), which is obtained by expressing the SE as a percentage of the estimate.

**2** Due to space limitations, it is impractical to print the SE of each estimate in the publication. Instead, a table of SEs is provided to enable readers to determine the SE for an estimate from the size of that estimate (see table T1). The SE table is derived from a mathematical model, referred to as the 'SE model', which is created using data from a number of past Labour Force Surveys. It should be noted that the SE model only gives an approximate value for the SE for any particular estimate, since there is some minor variation between SEs for different estimates of the same size.

#### **CALCULATION OF STANDARD ERRORS**

**3** An example of the calculation and the use of SEs in relation to estimates of people is as follows. Table 1 shows that the estimated number of people in Australia who were discouraged job seekers was 76,600. Since this estimate is between 50,000 and 100,000, table T1 shows the SE for Australia will be between 3,450 and 4,550, and can be approximated by interpolation using the following general formula:

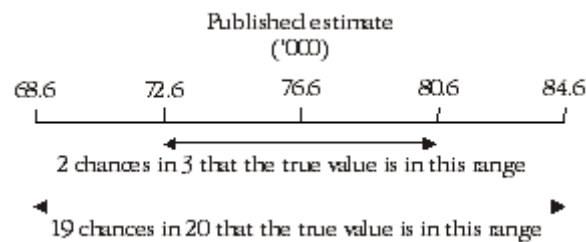
*SE of estimate*

$$= \text{lower SE} + \left( \left( \frac{\text{size of estimate} - \text{lower estimate}}{\text{upper estimate} - \text{lower estimate}} \right) \times (\text{upper SE} - \text{lower SE}) \right)$$

$$= 3,450 + \left( \left( \frac{76,600 - 50,000}{100,000 - 50,000} \right) \times (4,550 - 3,450) \right)$$

$$= 4,000 \text{ (rounded to the nearest 100)}$$

4 Therefore, there are about two chances in three that the value that would have been produced if all dwellings had been included in the survey will fall in the range 72,600 to 80,600, and about 19 chances in 20 that the value will fall within the range 68,600 to 84,600. This example is illustrated in the diagram below.



5 In general, the size of the SE increases as the size of the estimate increases. Conversely, the RSE decreases as the size of the estimate increases. Very small estimates are thus subject to such high RSEs that their value for most practical purposes is unreliable. In the tables in this publication, only estimates with RSEs of 25% or less are considered reliable for most purposes. Estimates with RSEs greater than 25% but less than or equal to 50% are preceded by an asterisk (e.g.\*3.4) to indicate they are subject to high SEs and should be used with caution. Estimates with RSEs of greater than 50%, preceded by a double asterisk (e.g.\*\*0.3), are considered too unreliable for general use and should only be used to aggregate with other estimates to provide derived estimates with RSEs of 25% or less. Table T2 presents the levels at which estimates have RSEs of 25% and 50%.

## PROPORTIONS AND PERCENTAGES

6 Proportions and percentages formed from the ratio of two estimates are also subject to sampling errors. The size of the error depends on the accuracy of both the numerator and the denominator. A formula to approximate the RSE of a proportion is given below. This formula is only valid when x is a subset of y.

$$RSE\left(\frac{x}{y}\right) = \sqrt{[RSE(x)]^2 + [RSE(y)]^2}$$

7 Considering the example above, of the 76,600 people in Australia who were discouraged job seekers, 28,000 or 36.6% were males. The SE of 28,000 may be calculated by interpolation as 2,800. To convert this to an RSE we express the SE as a percentage of the estimate, or 2,800/28,000 = 10%. The SE for 76,600 was calculated previously as 4,000, which converted to an RSE is 4,000/76,600 = 5.2%. Applying the above formula, the RSE of the proportion is

$$RSE = \sqrt{(10.0)^2 - (5.2)^2} = 8.5\%$$

**8** Therefore, the SE for the proportion of discouraged job seekers who were male is 3.1 percentage points  $(= (36.6/100) \times 8.5)$ . Therefore, there are about two chances in three that the proportion of males who were discouraged job seekers is between 33.5% and 39.7% and 19 chances in 20 that the proportion is within the range 30.4% to 42.8%.

## DIFFERENCES

**9** Published estimates may also be used to calculate the difference between two survey estimates (of numbers or percentages). Such an estimate is subject to sampling error. The sampling error of the difference between two estimates depends on their SEs and the relationship (correlation) between them. An approximate SE of the difference between two estimates  $(x-y)$  may be calculated by the following formula:

$$SE(x-y) = \sqrt{[SE(x)]^2 + [SE(y)]^2}$$

**10** While this formula will only be exact for differences between separate and uncorrelated characteristics or subpopulations, it is expected to provide a good approximation for all differences likely to be of interest in this publication.

## STANDARD ERRORS

### T1 STANDARD ERRORS OF ESTIMATES

Size of estimate (persons)	NSW	Vic.	Qld	SA	WA	Tas.	NT	ACT	AUST. SE	RSE
	no.	no.	no.	no.	no.	no.	no.	no.	no.	%
100	150	160	130	140	130	100	140	80	100	100.0
200	240	240	210	200	200	150	190	130	180	90.0
300	320	310	270	250	250	190	220	180	240	80.0
500	440	420	370	320	330	240	290	230	350	70.0
700	530	500	460	380	400	280	340	280	440	62.9
1,000	650	610	560	450	480	320	400	320	550	55.0
1,500	810	750	700	530	580	370	490	370	710	47.3
2,000	940	860	810	610	660	410	560	400	840	42.0
2,500	1 050	950	900	650	700	450	650	400	950	38.0
3,000	1 150	1 050	1 000	700	800	450	700	450	1 050	35.0
3,500	1 250	1 100	1 050	750	850	500	750	450	1 150	32.9
4,000	1 300	1 200	1 100	800	900	500	850	500	1 250	31.3
5,000	1 450	1 300	1 250	900	950	550	950	550	1 350	27.0
7,000	1 700	1 500	1 400	1 000	1 100	650	1 250	650	1 600	22.9
10,000	1 950	1 750	1 650	1 150	1 250	800	1 650	800	1 900	19.0
15,000	2 300	2 050	1 900	1 350	1 450	1 000	2 400	1 100	2 250	15.0
20,000	2 550	2 250	2 100	1 500	1 650	1 150	3 000	1 300	2 500	12.5
30,000	2 950	2 600	2 400	1 900	2 050	1 450	4 150	1 550	2 900	9.7
40,000	3 250	2 900	2 700	2 200	2 450	1 650	..	1 750	3 200	8.0
50,000	3 550	3 150	3 000	2 500	2 800	1 850	..	1 900	3 450	6.9
100,000	4 950	4 600	4 450	3 550	4 100	2 550	..	2 100	4 550	4.6
150,000	6 300	5 900	5 600	4 250	5 050	3 000	..	..	5 450	3.6
200,000	7 550	7 000	6 600	4 800	5 800	3 400	..	..	6 250	3.1

300,000	9 500	8 900	8 100	5 650	6 950	..	..	..	7 600	2.5
500,000	12 300	11 900	10 250	6 800	8 600	..	..	..	9 900	2.0
1,000,000	16 450	17 500	13 400	..	..	..	..	..	14 700	1.5
2,000,000	20 450	25 350	..	..	..	..	..	..	21 250	1.1
5,000,000	..	..	..	..	..	..	..	..	30 650	0.6
10,000,000	..	..	..	..	..	..	..	..	36 750	0.4

.. not applicable

## T2 Levels at which estimates have relative standard errors of 25% and 50%(a)

	NSW no.	Vic. no.	Qld no.	SA no.	WA no.	Tas. no.	NT no.	ACT no.	Aust. no.
RSE of 25%	6 700	5 400	4 900	2 800	3 200	1 500	2 600	1 500	6 000
RSE of 50%	1 800	1 500	1 300	800	900	500	600	400	1 300

(a) Refers to the number of people contributing to the estimate.

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